

FINANCIAL STATEMENT

OF THE

HON. CHRISTOPHER DUNKIN,

TREASURER OF THE PROVINCE OF QUEBEC,

SUBMITTED 14TH FEBRUARY, 1868:

WITH

APPENDICES.

REPORTED BY I. WATSON.



QUEBEC:

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FINANCIAL STATEMENT

OF THE

HON. CHRISTOPHER DUNKIN.

LEGISLATIVE ASSEMBLY,

FRIDAY, 14th February, 1868.

AFTER THE RECESS,

Hon. Mr. CHAUVEAU reported a message from His Excellency, with the estimates for the 18 months, commencing 1st July, 1867, to 31st December, 1868.

Hon. Mr. DUNKIN rose about eight o'clock to make his financial statement. He said :

Mr. SPEAKER,—I regret very much that I am compelled, feeling that on this occasion I must say more than I have the physical capacity to repeat in two languages—possibly more than I have the physical capacity to utter in the language more familiar to me—to ask the House to listen to me this evening in the English language only. I hope the House will excuse my omission as not voluntary on my part. I think it will believe the omission is not due to want of will, but to want of physical ability, as I have stated. [Hear, hear.] I will endeavor, should occasion offer, as it very probably will in the course of the discussion on the supplies, to repeat in French any explanations which any hon. member may desire. Under ordinary circumstances,—if I were at all able to undertake the labor of speaking in both languages,—I would do so with the greatest pleasure.

I cannot address the House on the occasion of presenting the motion which I shall have to place in your hands, without so deep a feeling of the embarrassment of my position as obliges me to allude to it, even in the first sentences of my speech. It is not merely that I have to discharge a very grave and arduous duty for the first time ; it is not merely that I feel I have to do this under circumstances, I may say of hurry and pressure, which are not quite ordinary ; it is not merely that the duty I have to discharge is new to me, or that this Legislature is met for the first time. There is even more on the present occasion to be considered than all this. The circumstances under which we meet render this motion in the strictest sense of the word a new one. Everything connected with the procedure may be said to be new ; new, in the sense of the political institutions which bring

us together for the first time—institutions which I may not only call new, but describe as on their trial. I feel, then, that the responsibility which falls on me in undertaking this step is all the heavier for this. Should any mistake be made, should any failure of this system arise from any error of judgment of mine, the responsibility which would weigh on me would, certainly, not be slight; and I hope I shall be pardoned if I say the sense of that responsibility on me at this moment is so great, that if I did not feel supported by what I am sure is the present sympathy of the members of the House, based upon a certain sort of good will, and, perhaps, I may say personal confidence in me—[loud cheers]—I should be more than half afraid of undertaking the difficult task that falls to my lot to-night. As it is, I will say this to the House—they may depend upon it, that all I do utter shall be uttered with the firmest conviction on my part that what I say is true, and with the utmost frankness and unreserve which any man in my position can practice towards a deliberative body. [Cheers.]

It may be necessary I should say some words more before I go further, as to the novelty of this position in which we find ourselves, and to which I have already in few words alluded. After an experience of 25 years, of the working of a system, which was called when first introduced a Legislative Union of Upper and Lower Canada into the late Province of Canada—after a 25 years' working of that system, premature, though, perhaps, it was when introduced—certainly inaugurated under many circumstances of unhappy omen, which gave poor promise that it could work well; and with many circumstances in the course of its history, that tended to prevent it from working altogether well,—after, I say, 25 years' operation of that so-called legislative union, which gradually came to work after the fashion of a federative system—by what may be called the consent of everybody so far as the Province of Canada was concerned, a new system of government has been inaugurated, under which we meet here. This system is called a Federative Union, in contradistinction from a Legislative Union. It is of larger geographical extent than the old Union, which, after 25 years of life, has come to an end. It aims at a far larger geographical extension; it aims to embrace within it the great North West Territory, the whole of the vast northern portion of this continent of North America. But this system, Federative in name, is in many essential respects absolutely new. There are points of superficial resemblance in abundance to the great Federative system that has been for a long time in operation to the south of us; but there are also points of radical contrast between the two systems presenting themselves everywhere. Ours is a system by no means closely like that which generally prevails for the great Empire of which we form part; but it has, I venture to think, more points of resemblance to that, than it has to the apparently more similar constitution of the Great Republic to the south of us. Now, beginning institutions of this kind, under this system absolutely new, aiming at so great results, and surrounded by so many circumstances which must prevent the cautious man from feeling perfectly sure to what those results may lead, it is of the last importance to us that we take our first steps under this great new system advisedly, in the right temper and in the right state of mind. [Cheers.] I think it essential, absolutely essential, that every man who calls himself a public man in Canada, let alone the man who claims to be a statesman, should not merely say, but show by his words and acts, that he gives to

this new system of ours a warm, unhesitating, thorough support. [Loud cheers.] He should show that he is determined to carry it through in the best way it can be—not with a preconceived idea of working it more into the shape of a Legislative union, nor yet with any preconceived idea of working it into anything more of a Federative system. Take it as it is. Conceal none of its difficulties. We are bound to look at them all. Let us face them boldly and at once; but let us look at them fairly, and with a determination that, if it be possible, every difficulty shall be overcome. We are not scheming to bring about any changes of our system; but are sincerely desirous of working it in the best way we can, careless in what direction it may tend, whether more towards a Federative or a Legislative system—probably I should be more correct in saying, wishing it may change neither one way nor the other, but may last essentially as it is, with no strong tendency to change in any way whatever; because that is the best state of a nation's existence in which the bulk of the people are content and happy, proud of their institutions, developing them in peace and quiet from good to better continually.

Now, in order that we may do this, that we may enter on our new duties in this temper of mind, I do not hesitate to say I think it is above all things necessary we should approach the questions that regard the status of this, our Provincial Legislature, in the union, free from that belittling spirit which, I am sorry to see, does prevail in some quarters. So sure as this temper is shown in high places—so sure as any considerable party among our people set themselves to belittle the provincial portion of the institutions of this our Federative system, so surely there must grow up a strong counter-party, and an agitation which, tending to develop the Federative principle, and to augment the importance of the Provinces at the expense of the Dominion, must have the worst results; not merely the result of raising irritating sectional cries, and of renewing agitation for changes of constitution—bad as that must be—but of raising cries tending to disorganisation, and creative of divisions and disorders in the nature of revolutionary agitation. We must be on our guard against all attempts at representing the Provinces as of small importance, whose affairs can be conducted easily, and the mode of conducting which is a mere secondary matter. The Provinces in our system have no municipal character. There are those who talk of them as great municipalities. [Cheers.] But the Legislature of this Province, and the Legislatures of the other Provinces have no municipal character whatever. [Cheers.] They are the Parliamentary creators of municipalities. [Renewed cheering.] The municipalities are our creatures, subordinate to us here. We are not simply at the head of the municipal system; we are above that system, its masters, its makers. None of the functions of the Provinces have a municipal character. They are not derived from the Dominion; they are not dependent on the Dominion; their authority is not subordinate to that of the Dominion. It has far more the character of co-ordination. It is derived from the same authority; it is a division of the functions of the whole system; not into higher and lower, nor into larger and lesser; it is a division of functions, founded on state considerations of convenience. Certain functions, over a wide territorial space, are thrown upon one body called a Parliament; and certain other functions, not less important to those under their government, devolve on the organizations of the Provinces.

Indeed, in one most important respect these Provincial Legislatures and Governments of ours have even a higher degree of autonomy or independence than those of the Dominion itself; for, by the act of the Imperial Parliament which created us and them, we are almost absolute masters of our constitution, and they are not, in any theoretical respect, masters of theirs. [Cheers.] Over anything and everything, save only what affects the position of the Lieutenant Governor, who, in Her Majesty's name, administers our Government, we have the power of dealing, with no other control than that which is nominally thrown over all our legislation. But, the Parliament of the Dominion cannot touch her constitution, without going to the Imperial Parliament for leave to do it. In that respect we are very far from being subordinate to them. We are not generally subordinate. The functions ascribed to us embrace the management of everything affecting the public lands or domain; almost everything that is to work for the material welfare of our people; the control almost unlimited of everything affecting our civil rights; the control over almost everything regarding the constitution of our courts; the absolute mastery over our municipal and educational institutions; the control over all manner of considerations of finance affecting all these large interests. Do not call all this municipal. It is just as important to the people that these functions be performed well, in a first-rate manner, by first-rate men, as it is that the other functions which devolve on the Government and Parliament of the Dominion should be well performed by them. [Loud cheers.] I do not know even whether it is not of more importance. There are many questions exclusively of our resort, which the bulk of our people feel closer to their hearts, which affect their interests and passions more intensely, than anything that can happen at Ottawa. The vibrations of our pulse are to be affected more in the years to come by what passes here than by what passes there. [Cheers.] If this proposition be true as regards all the Provinces, and I think it is, it is particularly true as regards the Province of Quebec. There is no doubt, whatever, as to this—that to a very great extent the Federative form impressed on our political institutions, has been due to the peculiar position of this Province of Quebec. We are here a people with many peculiarities and associations that separate us from the other Provinces: a division of language, a style of division as regards faith, that does not prevail elsewhere; and there are reasons in abundance why all of us—I care not to what language or faith we may be set down—should desire that as regards these questions we should be left to find the solution of all our own difficulties among ourselves. [Hearty cheering.] The new system has thrown us upon ourselves, and I, for one, am not sorry that it has. We may just as well admit the fact, and act upon it. The system has thrown us upon ourselves to conserve and harmonise the elements of society that exist in the Province of Quebec; and from our geographical position as regards the other Provinces, to exercise a similar conservative and harmonizing influence as respects their people and institutions. Whatever notions may prevail elsewhere in the Dominion as to the policy or propriety of efforts to change our system, either in one direction or the other, within the Province of Quebec, I feel satisfied no sound-thinking, well-meaning public man, with any pretension to call himself a statesman, can be slow to recognise the fact that it is not for us here to think of making them. I am particularly desirous to be understood as expressing myself emphatically on this point, it being

well known that when this new system was under discussion I was not one of those who regarded the proposition that it should be introduced, with favor.

Now, sir, there is one first, obvious application of the principle I have been endeavoring to lay down, to the matter which I shall have shortly to bring before this House. I refer in general terms to the question of economy. There are those who, affecting to think very little of provincial institutions, appear also to be determined to exact from them an amount of what they call economy, but which I should call parsimony, which is simply, for all practical purposes, impossible and unadvisable. The distinction between parsimony and economy is one which we must not lose sight of. A very wise utterance of a very old time tells us—"There is that scattereth and yet increaseth: and there is that withholdeth more than is meet; but it tendeth to poverty." If we want to have our work well done—and I have been trying to enforce on this House the conviction, which I think they feel, that we do want our work well done—we must take care that it is done by a sufficient number of fit men: and if we want it done by fit men in sufficient number, we must pay fit prices; and this we cannot do without the expenditure of a certain amount of money. If any man undertakes to tell me the affairs of this Province can be carried on without spending money,—with what some call economy, with what is but ill-judged economy, parsimony, meanness,—I take issue with him at once. It is simply impossible. You may get men to serve in insufficient numbers, with insufficient qualifications, for insufficient pay; but you will take nothing by it; it will be that "withholding of more than is meet which tendeth to poverty." You want to have your work well done. But if your scale of remuneration be too low, if you have every man coming into your service anxious as soon as he can to transfer his capacities to Ottawa or elsewhere, as they may be better appreciated—if everything here is to be little and mean, and everybody that has anything to do with our system is to be ashamed of it, and desire to get out of our service to something else—you will find the public will suffer from this false economy. If every employer of labor is to pay higher than we, can we have anything but refuse labor? Our employees will be planning and scheming to get out of our service, instead of assiduously devoting themselves to the efficient discharge of its duties. This belittling practice would besides have the effect upon our public men, of turning their attention away from this Province to another sphere, and preventing them from throwing their efforts into the working-out of our system in a manner to advance the prosperity of Quebec and the Dominion generally; they would identify themselves with Dominion struggles and party cries, merely making our provincial machinery subsidiary to the bigger machinery at work elsewhere. You must not have the members of your Local Government continually anxious to get out of it, or your members of the Legislature more anxious than is unavoidable under the circumstances, to escape its toils. You must not have the Government employees in a disposition of anxiety to give up your service. You must try to get the earnest services of fit men; and to do that I tell you that although you should not pay extravagantly, you must pay a fair price or you can not have the fair article. (Cheers.) In this matter the law of demand and supply prevails. The sacrifices of public and official life are too great for most people to make

in these Provinces. Men here cannot, except in a few instances, afford to make the sacrifice of working for the public entirely at their own cost. (Hear, hear.) The community have no right to expect it. They have no right to ask their subordinate officials, or their higher officials, or their members of Parliament, to do that for the public which they will not themselves do for the public. (Cheers.) The thing to be obtained is not the smallest possible outlay of money for the article called legislation and government; it is the utmost possible result from that outlay. We want the utmost economy consistent with the utmost efficiency we can procure. We want the greatest result obtainable by the best use of all our means. What is the result we had need come at? Thoroughly good administration of the affairs of the Province, in respect of all those great interests to which I have alluded—namely, the management of our Crown Lands, the attraction of immigration, the prevention of emigration from among us, the development of our agricultural and manufacturing interests, of our law, our educational system, and so forth. It is good government and good legislation we want; and we must get that article for what it necessarily must cost. Our utmost efforts, our utmost means are not too much to give for so great a result, if only we can get it. (Cheers.) Of course I hope nobody will think me arguing in favor of extravagance. I ask only for that amount of liberality that is needed to secure the desirable result I have spoken of. Watch as closely as we will, occasionally jobbery and over-pay will be the result of our dealings with employees. But we must do what we can to guard against such evils. Above all things, keep your men sharp at work, make them work, and when you do, pay them. (Cheers.)

Now, sir, there is another matter with respect to which I have to say something, in connexion with this novelty of our present political institutions. At first sight it might almost seem that the duty of a Treasurer or Finance Minister, at the outset of the finances of the Province, must be easy enough, as he ought to have no old balances to deal with or old transactions to carry on. Unfortunately for me at this moment, such is by no means the case. In one sense our institutions are new; but in another sense, as Treasurer of the Province, in seeking to explain these first votes, I have got to go back to a great many transactions that are old; and I have to state circumstances arising out of those transactions, which make it simply impossible—and I am sure the House will see it is so—for me to say much to the House which, under other circumstances, I should be glad to say—too proud to be able to say. Every Province under our new constitution has, what I may call, its account to settle with the Dominion. The Dominion, as formed under the constitutional act, assumes to a certain extent the debts of the old constitutive Provinces. The assets of those different Provinces are distributed according to a rule, generally speaking, not hard of application; harder in reference to us than to the Maritime Provinces; but one that has to be applied before we can make even a financial start. It has to be ascertained how the different Provinces stood at the time of the Union; consequently the amount of the Dominion's liabilities as regards each and itself, and the relative financial position of each Province. This has to be done as regards every Province; but as respects the Provinces of Quebec and Ontario, something more requires to be done. The present Union is not merely a binding together of Provinces, but,

indirectly, a disunion, too. The late Province of Canada had to be divided into two Provinces; and while on the one hand the Dominion assumes, in one sense, of course, the whole of the old debt of the Province of Canada, as far as liability to creditors is concerned, on the other hand, in the other sense—as regards these two Provinces of Quebec and Ontario, separately considered—it only assumes their debt to a certain degree. It assumes relatively to them, debt to the amount of \$62,500,000, and is entitled to look to them conjointly for all excess of obligation over that amount. But that very excess, I need hardly say, is a matter of old controversy, was matter of controversy when the constitution was adopted, and on the 1st July last, and is unsettled now. It has got to be settled as a beginning; and afterwards Quebec and Ontario have to divide their relative shares between them. An unascertained amount has to be divided by a process of arbitration; according to a rule which has not yet been stated, which is left to the consideration of the arbitrators, or at least to a great extent. Nor is that all; some of the assets of the old Province of Canada fall to the Dominion; some, no doubt, separately to Quebec and Ontario: some—those mentioned in the 4th schedule of the British North American Act, conjointly to Quebec and Ontario. Every Province has to settle with the Dominion the question as to what debt, if any, falls to its share of liability; and what are its assets, and what are those of the Dominion. Every Province has, moreover, to settle with the Dominion what sources of revenue in detail belong to it, and what to the Dominion, and what classes of employees in the revenue service are chargeable to it and to the Dominion respectively. But we, besides all this, have still another duty to perform—to make a division with Ontario. The surplus of debt and the joint assets have to be so divided. Then certain revenue sources and revenue services have to be divided; and an amount of complexity of negotiation and arrangement is likely to result, which it is difficult for any one who has not thought of it carefully to realise thoroughly. These joint assets of Ontario and Quebec include the Upper Canada Building Fund, Lunatic Asylums, Normal School, Court Houses of Aylmer, Montreal and Kamouraska, in Lower Canada, Law Society of Upper Canada, Montreal Turnpike Trust, University Permanent Fund, Royal Institution, Consolidated Municipal Funds of Upper and Lower Canada, Agricultural Society of Upper Canada, Lower Canada Legislative Grant, Quebec Fire Loan, Temiscouata Advance Account, Quebec Turnpike Trust, Education East, Building and Jury Fund of Lower Canada, Municipalities' Fund, and Lower Canada Superior Education Income Fund. Now, as you may readily see, about half of those assets may be said to belong naturally to Quebec, and the other half to Ontario; but by the law they are joint property, and have to be disposed of in connection with this division of the Canada debt. The amount of this debt being uncertain, the amount, nature, value and position of those assets being equally so, the whole has, nevertheless, to be settled before we can say what are the debts that press on Quebec, and what are the means the Union Act places at her disposal to meet them. But apart from that question, a good many of the services are more or less joint between the Dominion and the Province. I will mention two illustrations. The Collector of Inland Revenue in the Province of Quebec is an old servant of the Province of Canada. He has duties to perform in reference to the excise, the collection of licenses, and certain other sources of revenue. That excise is undoubtedly the property of the

Dominion. The licenses may, possibly, fall, in some part, to the Dominion, though I doubt it: the bulk of them fall to the Province. But as falling to the Province, many of them are more or less connected with those very assets which are at present the undivided joint property of Ontario and Quebec. Thus, here is a class of functionaries who, while servants of the Dominion, are charged with duties in reference to our revenue, and will be for some time yet. They are partly servants of the Dominion, and partly servants of Quebec; partly concerned in the carrying on of a revenue service in which Ontario has as yet a certain sort of joint interest. The collection of the timber dues is another illustration of the same sort of thing. We have here also certain officers who are servants at once of the Dominion and of Ontario and of Quebec. In this state of things it is simply impossible that any one can undertake to say—what, if it were possible, would be the first thing to be said, namely—what is the precise financial position from which this Province starts. I cannot state its debt or give any reliable account of its assets. I cannot even correctly state as yet its sources of revenue, or its classes of servants employed in collecting that revenue. There is no doubt, of course, there is a debt, but the question of how large it is, is precisely the question as to which the House will see my lips are entirely closed. I might give a guess; but here, officially, I have no right to start an opinion or an argument on the subject; not merely for fear of making a mistake, but because, with those questions yet to be settled with the Dominion and Ontario, no one who has anything to do with that settlement has any business to meddle with the questions otherwise than in connection with the forthcoming negotiations. If we here get into discussions on these subjects we may in the course of those discussions among ourselves advance propositions anything but favorable to our own views. We have to keep all that officially to ourselves. In a short time we shall know all that is necessary; and until we do, an absolute restriction of official reserve is upon myself; and I am unable officially to say anything about the matter. As to these assets also, I have no right to speak. I cannot here enter into any discussion of what may be their description or value. It would be entirely wrong if I were to undertake to discuss any of the matters concerned in this question; and of course the House will take this explanation I am giving frankly, at the outset, as the reason why I do not. We have got a certain debt which I cannot state, although everybody may have his own opinion as to its amount. We have our share of those joint assets and certain other assets. We have a subsidy from the Dominion of which everybody knows the gross amount. It is however, liable to diminution for our share of the joint debt, and that diminution I am unable to state or argue about. We have sources of revenue from direct taxation of a certain kind, stamps and other duties that we collect; and I may be allowed to mention, *en passant*, that it was but a very little while ago, only within the last few days of my stay in Ottawa, that I found some of the officials of the Dominion entertained a strange idea as to the nature of those duties. I do not believe it to be entertained by the Federal Government—I believe it to be abandoned. I allude to the fact, merely to show how impossible it is as yet to express any strong opinion on matters of this kind. We have our revenue from Crown Lands, but as to the various revenues collected through this department, not a few are connected with those joint assets, the rule for dividing which is not yet ascertained. We have other revenues with reference to

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which the same remarks apply. The only items respecting which no such remarks are to be made, are those coming under the heads casual and miscellaneous, which may be said to be of no particular account.

What, then, it may perhaps be asked, has been done by the Government towards coming at a settlement of these questions, the doubtfulness of which I have been compelled to state? I think the question may almost be said to have answered itself. What in the seven months past could one have done? With elections in the Dominion, and in the Province of Quebec; with all the business of organising the departments here; with all the pressure upon the departments of the Dominion consequent upon the work done there for the Provinces, and with necessary changes at Ottawa almost amounting to a re-organization of the departments there; with the formation of a new Government in the Province of Quebec, and with almost all the officials of every grade employed here, new to their duties; a session of the Canadian Parliament at Ottawa, followed immediately by a session of the Legislature of Quebec; it was simply impossible for us to do more than we have done, to satisfy the just demands of Parliament and the natural expectations of the country. Besides, the Union Act expressly and distinctly declares that the Arbitrators, without whose report a settlement cannot be completed constitutionally and legally, should not be named till after the Parliament of the Dominion had met, and also the Legislatures of the two Provinces. We simply could not do what might have been desirable in this matter. It was not merely that we had not the time—though that is the fact—not merely that other matters so pressed on us as to make it impossible these things could be done—but the act under which we held office rendered it impossible we could take even the first steps towards the solution of those important questions. Let me add, so pressed upon have the departments of the Dominion been, that it was only on Tuesday last I received the Public Accounts of the Dominion, as made up and printed to the 1st July last. I do not think their officers were at all to blame; I believe they could not help the delay. I know that statement was made in the Federal Parliament, and accepted by everybody as a statement of fact, about which there could be no mistake. So late as December last, in the Dominion Parliament, a single vote of several millions was passed, the Finance Minister stating that from the inadequacy of the means and information at command—a plea similar to mine here—he could not give the House of Commons any detail of the services for which he required the money. He simply took a vote of credit, to cover everything he might want till the House should meet in March, when he expected to be able to give them, if not all, the bulk of all the information they could reasonably ask of him. Under such circumstances, we too have a right to claim some degree of indulgence from this House and Province. The thing that has to be done—to explain thoroughly what may be called the financial position of the Province, is just the thing that, up to this time, we have been unable, from every consideration, not merely physical, but legal and constitutional, to begin to do. Of course it will occupy our best attention as soon as we possibly can take it up, as the corresponding question will occupy the attention of the Government of the Dominion; and no doubt before long these questions will be arranged satisfactorily, and we shall know about all we need know.

Even as regards the transactions of the six months, from the 1st July, to the 31st December last, I am bound to repeat to the House what I have already in few words stated, that the greater part of that outlay was, from the necessity of the case, carried on at Ottawa. (Hear, hear.) We came into office here on the 15th July, at which time we had not, I think, in any department a single employee. We had nobody whatever to serve us. We had to bring here a temporary clerk of the Council, and call together hastily a few clerks and assistants of one sort or another, as we could find them. Does anybody imagine we could begin to make regular payments and work? We had no archives, no clerks, no departments, no staff, and we were going to our elections immediately. By a very happy foresight, however, the constitutional act provided for this emergency; authorising the Government of the Dominion, through the departments at Ottawa, to make every description of outlay, in advance, on account of the different Provinces, "to protect the republic from detriment." Of course, the Government at Ottawa made the payments necessary for our services. They assumed our duties as far as they could; under our responsibility for all they did. There may have been mistakes as to payments and receipts made, and so forth. If so, they will be corrected. But the fact remains, that the bulk of our receipts and outlays was taken charge of—not through our machinery—but from the necessity of the case, through that of the Ottawa departments. I have laid before the House a statement of those transactions, to which I will come in a very few minutes. I have also brought down our estimates of outlay for the 18 months, beginning with 1st July, 1867, and ending 31st December, 1868; and I shall be prepared shortly to say what I think of our propable revenue during the same period. Meantime, I do not pretend to keep back from the House at all, what I may call the imperfect character of the whole of this information. From the explanations I have already offered, it can be nothing but imperfect.

The appropriations I have to ask can only be, really, more in the nature of a vote of credit than anything else; and the statement of the receipts and expenses can be taken as only a sort of cash statement, not as a statement of what actually have been or should be held to have been the entire financial transactions of the period.

Speaking of the receipts for the first six months, we received from the Dominion the special subsidy for the half year, of \$35,000; and at Ottawa, according to the accounts kept there—because all these statements of Ottawa transactions are simply taken from the accounts kept in the Ottawa departments—an amount of \$127,843.65; representing collections in Ottawa from various sources of revenue.

But before proceeding further with this side of the account, I may, perhaps, better state the other side. First, there was disbursed at Ottawa, on our account, \$448,396.10. The different heads of disbursements will be found on that side of the return. There was also disbursed at Quebec during the six months \$36,733.92, making a total of \$485,130.02. These disbursements were met, as I have stated, first by the sum of \$35,000 which the Dominion remitted here in the first instance; next by the amount of \$127,843.65, which they received for us from various sources;

and to make up the payments for us I have mentioned, it is apparent they further paid us the difference between this amount of expenditure and the amount of their receipts for us, being \$320,552.45. We also received at Quebec, besides this, through the Crown Lands Department, \$133,473.25, making a total of receipts from Ottawa and at Quebec, for the six months ending 31st December last, of \$616,869.35; total disbursements, \$485,130.02, leaving a balance of \$131,739.33. This balance is independent of a claim, the merits of which I cannot undertake to say that I know certainly, and on which I state no opinion. I suppose the claim is not altogether incorrect. An item of disbursements to the amount of \$21,202.06 is carried to an Ontario and Quebec suspense account. These payments were made at Ottawa for certain expenses, I think, in great part connected with removal of officers from Ottawa. They were outlays, as to which the Ottawa officials were uncertain how much to charge against us and how much against Ontario. A portion may go to our debit. Now, this statement purports to be no more than a statement of cash receipts and expenditure. It has no merit nor character beyond that; and there are in it some items, as to which I have very little doubt that corrections will require to be made; some charges against us which, I fancy, when they come to be looked into, will be cancelled.

Now, turning from this statement of the transactions of the last six months, to the estimates; of course it will be apparent that I cannot pretend to give anything like what is usually given; a balance-sheet showing the financial position of the Province. That would be impossible. All that can be submitted is the statement of receipts and expenditure partly at Ottawa and partly here. I may say, by the way, before I pass to the estimates, that this account which I have given may sufficiently answer a question which, early in the session, was put to me by my honorable friend, the member for St. Hyacinthe, as to whether the Province of Quebec had demanded of the Dominion, or the latter had assented or refused its assent to the proposition, that the whole of the subsidy be paid in advance for each six months, irrespectively of all question as to the amount of our debt, and of the interest upon it, which forms, according to law, a good and sufficient off-set against the subsidy *pro tanto*. It must be quite obvious, from the facts I have laid before the House, that no such question as that ever did come up. More than that, throughout the whole of the six months it could not have come up. The departments at Ottawa were paying all claims against us; and neither they nor we could enter into this question. We had not time to enter into any discussion of the matter. It was only very late in December I obtained the statement I have laid before the House. Indeed I can hardly say this much; for many figures were not really settled till half January had expired. I had to wait till the very last to receive information as to some figures; and even at this moment I scarcely know the nature and amount of some transactions—what has been paid at Ottawa, and what has not. I know the Ottawa departments have discharged the duty as well, faithfully and good naturedly, as they could; but I know also it is quite impossible now to enter into anything like a treaty or official correspondence with the Dominion Government in regard to our financial settlement. Hereafter, this correspondence will have to be entered upon; and by the time the Arbitrators shall have reported, there will remain no difficulty. But till the arbitration is settled—

till we know what our debt is—till we know how we start, probably the best thing we can all do is to carry on the business of the Province of Quebec as well as we can. In this spirit we are conducting the departments here, to the best of our ability; and in the same spirit the Ottawa departments are being carried on.

I now come to the estimates. I confess, in regard to them, I felt myself for some time very strongly tempted to do what was done in Ottawa. We should, probably, have been quite justified in taking a similar course. Still it was a course to which very grave objection existed; and upon the whole, I came without any serious hesitation, to the conclusion that it was much better not to do it. At one time I intended laying the estimates before the House in greater detail than at present; but I am satisfied it is better to submit them in but reasonable detail, as they now appear. There are one or two considerations in regard to these estimates, to which I desire to call your attention before I go further. In their form and arrangement they follow as closely as possible the arrangement of the estimates usual in the old Province of Canada. There are many reasons for this; although in the work of revising them as they were prepared, I saw there might be an advantage in altering the arrangement more or less; and even in the explanations I am about to give, I shall depart from that order. But I have drawn them up in the order usual in the old Parliament of Canada. Every vote in these estimates is a vote to cover the full amount. There is no exclusion from the estimates, of any service, or of any sum, on the ground that there exists a legal warrant for its expenditure without a vote. I propose to adopt what had lately become the practice of the old Province of Canada, and what is the practice now of the Dominion of Canada, as I understand it—making the estimates cover the whole of the expenditure, without any reference to whether there is or is not legislative authority already for any particular disbursement. The amounts are all taken as outside amounts. Wherever I thought it probable, I might almost say possible, that a certain sum might be expended, I have endeavored to take the whole sum. I think that in every instance the amount asked will be found to be fully the amount wanted, probably in excess of that to be expended. According to the Treasury Act, great difficulty is thrown in the way of expending any money in excess of the estimates; and I have drawn the estimates in the very earnest desire not to be obliged to spend anything more than they give. They are drawn up also according to a rule laid down in a new clause of the Treasury Act, to which I believe I forgot to draw the attention of the House when that measure was under discussion. Under that clause, all amounts unexpended at the end of the term for which money may be voted, are written off. If \$100,000 have been voted, and if at the end of the term but \$75,000 have been spent, the remaining \$25,000 are not carried on to any future service, but must be written off, and a new vote taken for everything wanted for that service thereafter. [Applause.] That is made a rule of law here, as it was so made at Ottawa. It is a good, sound rule, which for some years past has been observed in England. When I ask for certain sums, then, it is not that I mean to say the Government intends to spend the whole; but that such is the limit within which the Government hope to keep their disbursements for the term. If they do, well and good; if they do not, the House will know all about it. The Public Accounts will show it; and all the balances they may have in

hand will be submitted to a vote of the House the next time the estimates come down. There is, therefore, no danger of a vote given now amounting to more than an authorisation to spend that which may have to be spent during the period covered by the estimates—say, to the 31st December next. The present estimates are drawn for the whole of the last six months, and for the whole of the current calendar year; for the financial year ending 1st July next, and for the six succeeding months, covering 18 months of service.

Hon. Mr. CARTIER—They cover the whole 18 months?

Hon. Mr. DUNKIN—Yes. My reason for making them so is this: there is no possibility—speaking in the political sense—that this Legislature can be brought together again until some period in the course of the first six months of the next financial year. I do not desire the votes of the House to have expired before the Legislature meets again. I do not want to have any unauthorised expenditure going on. [Cheers.] I ask the House, therefore, to vote what may have to be spent till the 31st December of this year. When it meets again, it will have the accounts made up to the 1st July next, and all subsidiary information as to what has been going on during the remainder of the period. These estimates are, of necessity, made up subject to a great deal of possible correction hereafter as to special funds, and provincial assets yet undivided, and particular revenue services, as to which we cannot speak with positive certainty. Morally speaking, we know well that certain matters of account will pretty assuredly fall to our share; and of course we shall have to do a great many things not yet clearly seen. In drawing up these estimates, I have acted on the presumption that certain revenues will come to us, and certain liabilities will have to be met by us; and I have put down everything I supposed we should really be called on to meet, and I have set down as actual matter of revenue, everything that I suppose will come into our hands. The estimates of expenditure and revenue I am about to submit are all of this character. They are drawn without reference to the questions that may come up in the settlement of our debt with the Dominion, and the arbitration with the Province of Ontario. They have little to do with the financial position of the Province; they deal only with what during these eighteen months are to be its cash transactions. I have sought to obtain a check, in the shape of legislative authority, upon all those disbursements which, I believe, will have to be made through my department; and I will tell the House the sources of revenue from which I believe I shall receive the money to meet them. I have told the House their cash transactions for the last six months; and I am now asking it to give me authority to carry on our direct money transactions until such time as, the arbitration completed, I can show them the state of their affairs. Of course, with estimates of this kind, it is possible, nay, very probable, there may be more of error than ordinarily. I have been under the necessity of preparing these estimates almost without the assistance of any person ever employed in preparing estimates before. To the best of our ability we have exerted ourselves to make them as accurate as possible; and thanks to the zeal, attention and ability of the gentlemen who prepared them, I think they will be found as correct as estimates usually are, and as correct as estimates prepared under the circumstances can possibly be made. [Cheers.] Estimates of this

kind differ from a vote of credit in little but one important particular ; they will furnish me with a proper basis on which to prepare one of the most important books of my department, the appropriation ledger. When the House shall have passed these estimates, I shall be able to cause to be written down in this ledger the amounts that go to the credit of every service, and every sub-head of service ; and by the action of the Legislature, supplemented by such orders in Council as may be necessary, we shall be able to lay down a rule, beyond which no particular service, can in any particular time, be able to spend money without check, or beyond the proper amount. That is the difference between what I propose and a vote of credit. My plan will give me a better start in business at this time, and a far better basis for the more full, exact and correct estimates, which I trust to be able to lay before the House another time.

I will now go over the estimates ; though not in the exact order in which they are printed. I begin with legislation, which covers several items on the paper. The total is a large figure, \$158,392.90. This is for the 18 months ; but I must freely state the item does not include what may be the contingent and sessional expenses of the next session of the Legislature. It contains a large estimate for the whole of this session, and all the staff ; and I hope the vote will be large enough to cover some portion of the expenses of next session. I did not care to swell these estimates by a large sum for next session, because I felt there was no danger in omitting them ; from the fact that the House itself will be in session, and so can be called on for any outlay necessary. There can be no improper, no unparliamentary advance. Any outlay that may be required will be covered by a vote of the House. Besides that, the rule of sessional allowance not being definitively adopted, except for this session, I considered it right to take my figure for the present year's sessional allowance merely. I have taken \$8,000 for the Parliamentary Library. About \$3,000 have been expended already. In connection with this whole legislative item, I desire to refer to the recommendation of our own Contingencies Committee. They have urged the utmost possible amount of economy. As I have stated already, I am no advocate for mean parsimony or niggardly payment ; but I do believe in not employing more persons than we want, and in not incurring any expenditure that can be avoided ; and I am glad to have the opportunity of stating, that as to the vote of the House on the Contingencies Report, the Government entered entirely into their feeling ; and in reference to the disbursement of those moneys, as of all others, wherever it is possible to practise an economy not prejudicial to the performance of the public service, that economy shall be faithfully practised. (Loud cheers.) I turn now to the beginning of the estimates, taking the first ; for Civil Government. Under this head, mention of the different departments is given. I shall shortly place in the hands of members a sufficient explanation of the way in which those sums are come at. The total amount for Civil Government is \$180,966.86 ; this is for the 18 months, less the small fraction of time during which we had no establishments at all. I do not go now, but when in Committee of Supply will go more into the details of the different sums submitted. The items are for the Lieutenant Governor's office, the Provincial Secretary's Department, the Provincial Registrar's, the Crown Law, Treasury, Crown Lands, Public Works and Agriculture, Executive Council, Contingencies of the

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Public Departments, and the Speaker of the Legislative Council. I shall be allowed a remark or two in reference to one or two items on this list. One of those items, the largest of all, \$48,960.16 is for the Crown Lands. Well, I admit this amount strikes one as large. It is large, relatively to those for the other departments. And there is taken from it a small amount that formerly stood at the debit of this department; because a few of its employees are performing a special service to which I have charged their salaries. But the Crown Lands is a pretty expensive Department. The House will remember this Department is one we had to take from the Dominion at Ottawa. It bears on the establishment several gentlemen, old servants of the Department, whose salaries under the Civil Service Act had grown even beyond the ordinary Ottawa scale. They came to us, and we had to determine whether we would refuse to take them, or any considerable number of them, or cut down their salaries in a manner which, suddenly done, might have been cruelty; because some of those gentlemen are old and very faithful public servants. (Cheers.) We were in this position; we had to carry on the public service, and it was impossible for us to tell, till we had mastered its affairs ourselves, whether this establishment, which a great many people say is overweighted, is so or not. We felt compelled to take the Department as it stood. We have practised, however, more than one economy in it. Two vacancies have occurred since we took it, and neither has been filled up. [Cheers.] In connection with this Department, some other economies have also been practised. We will lose no opportunity of effecting any economy that is at all fair. Wherever we can place in any other department a servant who can so be better employed than at present, we shall do so. But we felt it our duty not to yield to what may be an unreasonable or unfounded clamor for a reduction of salaries, as against men who were thrown on us, and who have served the country a long time, and of whose abilities we were bound to make the best use we could. We have not given to any of our new deputy heads of departments, a salary of more than \$1800. That is as nearly as may be the three-fourths of the ordinary unaugmented salary appertaining to that class of functionaries at Ottawa. We did not think we could go below that figure. We did not believe we could obtain efficient servants without paying about that figure. We have encountered refusal to accept that sum, from men of the calibre we should like for deputy heads of departments. Such men can get more than this salary elsewhere. The time is not distant, I believe, when we shall have to pay more salary to efficient public servants. Few of our other employees have salaries near so high. And incidentally, I may be allowed to mention a single circumstance which I think may go a little way with members of the House to undo the impression that we are paying enormous salaries. I have in my own department secured a body of as efficient servants as I could. Among them was a gentleman from one of the departments at Ottawa, of whom I thought a good deal. He was engaged at a salary of \$1200. He had not been long with me, however, when he requested me to release him, saying—I have just had an offer from the Treasury Department of Ontario which is considerably better than yours. He went to that department at a higher salary; and yet it is said we are paying the highest salaries. Thus I lost the services of a gentleman whom I believed a good officer, because I did not pay him as much as others offered. I secured in his place the services of another gentleman of marked ability, at the

same salary. When we come to look at these different salaries, the House will see we have not erred as to them in the direction of extravagance. Whether or not we want quite all the servants we have got, remains to be seen. So far as our experience has gone, I believe it is the opinion of my colleagues—it is my own—that we have not got larger establishments than we want; but if we find they can bear reduction, we shall reduce them. A few days ago, an officer died; we will not fill his place unless it is necessary. [Cheers.] But there is no use in my pretending to this House, that the public business can be well done unless we have got men enough to do it. It is my business to have the public accounts carefully kept, and all manner of outside accounts thoroughly audited. Do you mean to tell me that if I find it requires eight or ten persons to do the work well, I am serving the public interest by leaving it to six or seven? The thing is absurd; you must have the necessary number of men, and good men; for a bad man is worse than no man at all; and to get good men you must pay them a fair price. [Cheers.] We adopt the same rule for our own salaries, for this House and for its Speaker. We have taken as a general rule for the heads of departments resident here, the scale of three-fourths of the salaries paid at Ottawa; amounting to \$3,750. The two members of the Government having no departments in their charge are placed on a different footing; and one member of the Government, our Premier, is, by the consent of us all, placed on a different footing still. As to him we have thought it right—and I speak more in the name of his colleagues than of himself—to adopt this course. We felt it out of the question that he could be called on to serve at the same salary as we, the other heads of departments. When called on to fill his present position, he was the holder of a non-political office, one filled with the greatest credit, and respecting which he was not in the slightest danger in any way. Its salary was \$4,000 a year. Now, to ask him to come into a political office at a less salary, would be practically a political insult which I think the House would not be guilty of. [Cheers.] We thought it no more than right—and the House will, I believe, think also—that he, as Minister of Education and Premier, should receive at least \$1,000 more than we do; the total, \$4,750, being still below the Ottawa salaries. Then, as to the Speaker of the Legislative Council, we have placed his salary, as the counterpart to that of the Speaker of this House, at \$3,200 a year. The difference as in his favor is justified by the fact that he is a member of the Executive Council, and although not living in Quebec is obliged to be continually ready to come here on public duty. He must spend a great deal of time here, because he is responsible for all our doings; and is put to such risk and trouble as renders this salary no more than sufficient. As to the Solicitor-General, who also is not the head of a department, we have come to this conclusion. At one time it was seriously considered whether we would or would not fall back on an old practice in regard to his office, and give him only a small salary, say \$1,000, and the fees of certain prosecutions. But after thinking over this matter, we came to the conclusion it was a vicious and paltry system, which we could not recommend to the House. If either the Solicitor or Attorney General, being the parties who must check all the expenditures of prosecuting counsel and others, have any sort of interest in those accounts, there is something radically wrong in the system. We came to the conclusion, therefore, that the Solicitor as well as the Attorney General must receive a

salary and no fees; and what he does in the Courts, and he will do his fair share as well as the Attorney General, is to be done without any extra charge at all. [Cheers.] If he has to travel on public service, like any other public functionary, he will be allowed his disbursements. He will have no interest adverse to the strictest economy—adverse to the department. Adopting this rule, we felt that we could not assign him any less than \$2,800 a year, which is less than the salary of the Speaker of the Legislative Council, and not much more than the Speaker of this House receives,—as little as we could, with any propriety, offer under the circumstances.

All these items are recommended provisionally only, according to what we believe to be the exigencies of the public service in the present condition of public affairs. What may have to be done next year, when we know all about our financial affairs and assets, is another matter. It is quite enough to say now, the entire time of those in our different departments is taken up, and all their labour is required in the public service, and we felt it right to recommend the present salaries. I do not think on sober second thought any one will think we have done wrong. If we chose to take another course—to aim at a miserable, paltry, clap-trap popularity, like that of men who pretend to be and wish to be thought, public benefactors, when they take the Queen's pay—we might have presented an apparently more agreeable exhibit; but we must remember that we should not be doing the public service a good turn. A gentleman whom we would have been glad to have as a colleague could not accept office, because he had reason to believe the emoluments would not have enabled him to throw up other pursuits. If you will make salaries too low, you cannot keep men for any length of time discharging zealously and efficiently the duties of these offices.

In reference to this item for civil government, there ought, perhaps, to be carried, if we were dividing the estimates quite logically, \$20,000 or \$25,000 set down to education, to the account of the former; being the salaries and departmental expenses of the educational department. I have kept them under the head of Education; simply, because they always were thus classified; but logically and correctly, something like \$25,000 ought to go to the credit of Civil Government. And by the way I ought to add, that even with the allowance of \$1,000 to the Minister, we are effecting a reduction in the entire cost of the Department. In Ontario, where we are continually hearing of their economy, besides their five Ministers, they have a Superintendent of Education, who is not in the Cabinet, and who receives \$4,000 for an office that involves no political responsibility, or risk.

I now pass to the item for the Administration of Justice; which I am free to admit is very formidable. We are not however, answerable; we cannot help it. The amount reaches \$490,339,35, which I hope is outside of the expenditure we may have to incur. I can only assure the House that every economy practicable will be effected in this department. Within the same class of outlay is that for police, reformatories and prison inspection. The police item is \$20,000, the whole of which I hope will not be spent. But we have been under the necessity of taking, this winter, into our employ-

ment, the Government River Police discharged by the Dominion. We had to take them, and a considerable amount of the \$20,000 must go to their pay. Some portion of the cost of a similar police, acting independently of this body,—I hardly know how much—will be borne by the Dominion. Not being sure, however, that the whole of the \$20,000 will not be wanted, and not knowing what necessity may be felt by Government to employ more police than we wish, I take this item. The maintenance of the Reformatory Prison at St. Vincent de Paul, costs \$37,500; and Prison Inspection, \$3,000. The reformatory estimate is, I presume, correct. As to prison inspection, a measure the Hon. Premier has before the House contemplates the organization of a Board of Prison Inspectors. Three will be the nominal number; but the estimates contemplate the payment of two only, with their travelling and other unavoidable incidental expenses. It must be evident this expenditure is necessary. If we do not have our prisons, reformatory, and lunatic asylums, properly inspected, we shall lose more money in the end than the cost of this service. Besides, independently of frauds that may be practised, it is our public duty to look after those institutions thoroughly. For this work capable men must be employed, or abuses must necessarily result. Those sums together form a total of \$550,000.

Under the head of Education there is a total of \$392,190. As I said before, some \$25,000 of this amount logically belongs to Civil Government, and for the purpose of my present statement I have placed it there. Of the balance, I should observe that three items, \$68,000 for superior education, \$4,000 for schools in poor municipalities, and \$2,000 for the superannuated Teachers' Fund,—\$74,000 in all—are taken for only twelve months; as only one yearly payment on these accounts will have to be made before the next meeting of the Legislature. A new item of \$12,000, of which I shall say more presently, is brought in for Agricultural Education. Connected also with this head are four literary and scientific institutions, which receive \$3,000, the usual grants; and the usual \$2,000 is given the Board of Arts and Manufactures, making \$5,000 in all. The Agricultural schools of St. Anne and L'Assomption, furthermore receive each, \$1,200, making for agricultural instruction a total of \$14,400. I bring these items thus together, because they are connected with the same important service. The Government feel bound to come down with a vote in excess of the old estimates. Formerly there was only \$1,200 allowed the St. Anne's school; but the College of L'Assomption has gone into the same work with great zeal, and promise of marked success; and we have felt it right to place it, with a view to its section of the country, on the same footing as St. Anne's. We also feel it right, after all the discussions that have taken place in the Committee on Agriculture, Colonization and Immigration, to ask the House to commit itself to a very important step, in the direction of agricultural education. [Cheers.] This is proposed, by placing \$12,000 in the estimates, in aid of agricultural education, in connection with the Normal schools. We think that while it is right and proper within reasonable limits to encourage such institutions as St. Anne's and L'Assomption, it is also most particularly requisite that agricultural education should form part of our Normal school education. We want our teachers, as far as possible, to go into the country with a capacity, a taste, disposition and desire, to teach agriculture. The one pursuit towards which the attention, prejudices, feelings, information,

mind and heart, of our whole country population may be earnestly directed without any sort of danger, is that of agricultural employment. Really there is a social danger in drawing the attention of all our semi-educated people to other pursuits than the agricultural. [Applause.] It is a mistake that our schools give so little attention to those matters which in fact ought to be the pursuit of the bulk of our youngsters whom they are bringing up. [Cheers.] You may have in this country just as many farmers as can live; but you cannot have more than a certain number of tradesmen and artisans, unless you greatly change the features of our country in respect of its manufacturing and other industrial interests; and change it as you may, you will still have the more need of agriculturists. And yet, the whole course of our teaching goes to give a boy the notion that he must be something better than a farmer! Nine-tenths of those moved by this poor ambition become worse than farmers. The axe must be laid to the root of the tree. We must give something of an agricultural character to the teaching of this agricultural country. It is important to disseminate sound views as to agriculture, while encouraging other industries. There is much to teach the people respecting agriculture; carried on wisely, on a different system, it would turn our exhausted lands into garden instead of into a desert, while it would arrest the exhaustion of other lands. This truth has to be instilled into the minds of the people; and you cannot do it, unless you make the bulk of our farmers aware of the fact that there is much to be learned and taught in this matter; you must begin everywhere to do what is destined to be a very great work indeed. [Cheers.] This item is regarded by the Government simply as an initiatory vote. I regard it simply as a beginning, as a pledge that something is to be done earnestly in this direction. I believe the country will be well satisfied that we should give this pledge, and that the Government should do its best to redeem it to the country. Adding all those items together, we get a grand total of \$374,590, to be expended in connection with educational objects proper.

I turn now to a matter very nearly connected with that of which I have been speaking; agriculture, immigration and colonization. In connexion with this matter, the House will not forget the \$14,400 for agricultural teaching, of which I have just spoken. Besides this, for agricultural societies, \$80,058.60 are set down; \$46,000 or more, of which have been already expended for last season, under the statute which appropriates money to these societies. I have not put into the estimates the double of that sum; because the Government have come to the conclusion to suggest to the House a certain modicum of change in regard to those societies. I believe it is the strong feeling of the Agricultural Committee, that our system of agricultural societies is open to some improvement. The machinery we have is not perfect by any means. The present law gives to those societies, when organized, from the public funds, three times the amount of their subscriptions; the grant in any county not exceeding \$800. I think that this is for us, in the present state of the country, too much; that a less proportion would serve every public end quite as well, and perhaps a better. [Cheers.] If agricultural societies contributed more than one-fourth of their revenue, they would be more shrewd and practical; and, in a public point of view, more just in regard to the exhibitions, than they are now. The rule that they should contribute only one-fourth of the money

they disburse was once good; good, when you had to persuade people, to coax them into forming these societies; but it is time a rule a little less disbursive of the public money should be adopted. The House will be quite right in applying a rule more suited to our present social position, more limitative of the grant. The societies under such rule would have as much money as before; but they would get more from the people and less from the Province. From these considerations, we ask less money now than was given before. We have put down but a trifle for emigration, \$4,000. The truth is, we are not ready to do anything to signify, in this direction. Nothing extensive or expensive can be gone into in this direction, till we have made a good deal of preparation here to draw emigration to us. A greater mistake cannot be made, than to send agents abroad to cry up the country, and ask all sorts of folks to come to it, before we are ready to receive them. We do not think a large expenditure is judicious; and without saying we may not be prepared to go a great deal further next year, we are not now prepared to ask more than a moderate amount to make a move that may not be premature. The item for colonization roads for this season, is \$62,500. I wish it could have been made a great deal larger. It is larger, however, by \$12,500, than the grant of late usual for colonization roads. I hope next year the state of our finances will permit of our doing more. But we are hardly in a position to spend more than that money with due economy and due efficiency, this year; because our machinery for expenditure is not in as perfect order as we hope to have it next year. The total for all these services, independently of what I have mentioned already, is \$146,558.60.

The next head is for public works other than colonization roads. This outlay is more particularly under the control of the Public Works Department; as indeed, the colonization roads are also. The first item under this head, then, is \$15,576, covering costs of the removal of certain departments and officers to this city. I think that a considerable part of the cost of these removals will be borne by the Dominion Government; but in the meantime, the expenses have been incurred, for which we ask a vote of the House. Indeed there are a good many matters as to which I have been asking votes—I cannot draw the attention of the House to all of them—in regard to which we are prepared to take the ground that such outlays are not ours, but properly fall to the Dominion. There is next a charge of \$85,315, for rents, insurance, repairs and a variety of other details of this kind. These two amounts are larger for these 18 months—at least, I hope so—than they are likely to be hereafter. For the Reformatory Prison at St. Vincent de Paul there is an item of \$42,570. The Quebec jail gets \$5,000, and the Sherbrooke jail, \$4,000. Both items must be provided; but they will be borne on the Building and Jury Fund. An item of \$2,550 is asked for inspections and surveys. Constant surveys are of course required as to all public buildings. The total under this head of public works, other than colonization roads, is thus \$115,011.

Next, as to charities, we have taken the usual figures. Beauport Asylum receives, as before, \$138,000. It could not be otherwise. The expenditure may not be so large; but this is the sum beyond which we cannot go, and very much within which we could not be sure of being able to keep. For the St. John's Lunatic Asylum we ask \$27,000; the Marine and

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Emigrant Hospital, \$4,000. This is a subscription the Province makes with a view to providing for the relief of a certain class of patients, cases of accidents and so forth. This is given independently of the general cost of maintenance of the institution, which falls to the Dominion. For what may be called our ordinary charities, we propose \$30,290. The Government, after a good deal of consideration, has felt it could do nothing less than place their grants at the ordinary figures. After much deliberation, and with great difficulty, we have come to the conclusion that we are compelled to say we can place no new charities on the list. The present system is one that has grown up and lasted for a long time; but in its present state it cannot last. I say, in its present state, because it is necessary that rules of some kind be adopted as to the amount, and the manner of distribution of this kind of aid for years to come. This \$30,290, I need hardly say, is simply for one year. I do not say the amount is not to be continued; because to the extent of our means it must; this year, we make these grants, simply without diminution, because the institutions in question have carried on their operations in the full faith that they would receive the full grant, and we felt we could not refuse them. Many other like applications have been made to us; but we have felt we could just now neither cut down the old grants nor add to their number. Next year we hope to come down with some system, to enable us to regulate the whole of this matter on a footing more satisfactory than the present. Added to this list, is the sum of \$4,000 for aid to the Nova Scotia fishermen, and \$715.93 for relief of the Labrador distress. I may say, in connection with these two items, the Government has dispensed another considerable sum—for colonization roads—something more than \$2,000, which forms part of the \$62,500 asked for this service generally. These \$2,000 were spent in Gaspé at the beginning of winter, for the relief of distress then and there prevalent, and which I believe was as real and terrible as, while coming nearer to ourselves than, the misery we sought to relieve in Nova Scotia. [Cheers.] The money was spent among the destitute, for useful work, thus securing their relief, and something for the general advantage. I think we should have been criminal, had we not done as much as we did; and I am free to confess it was with much pain I felt that, under the circumstances, we could not do more. [Cheers.] The total, then, for all our charities is \$204,005.93.

I now come to the only remaining class of estimates, and which may be grouped together—the collection of the revenue, maintenance of works, and so forth. The first item is for Crown Lands surveys, \$20,444.11. Of course, all that will not be spent unless we find it necessary. I believe it is important that, instead of abandoning or lessening surveys, we should render them more thorough and efficient. We want to know what our lands are, and all about them; and our surveys should be more effective than ever. We ask \$108,936.09, for territorial outlay connected with the Crown Lands Department; and for stamps, and so forth, \$8,100. The whole of these items, being for outlay incidental to collection of revenue, under the old system, would not have been asked from the House. But under the new system, we ask a vote for everything. [Hear, hear.] There are two other items, which may be said to fall substantially under this head, \$117,312, for Culling timber, and \$12,143.91 for Registration service, —the making of *cadastres* in connexion with our registry system. The

total is \$266,036.11; which with \$25,000, for miscellaneous, makes a grand total of \$291,036.11.

The result of the whole is \$2,086,400.75. I repeat, that I hope nothing like the whole of this amount will be expended by December of this year. Many items, I trust are in excess, though as to some we may find we have not taken enough. I have tried to take enough for everything; and I feel satisfied that, as to a good many, I shall be able to say next session, we have not incurred as large an expenditure as the House authorised. [Cheers.]

Turning, now, from the estimates, to what I trust will be the revenue, I hope the House will receive with a certain degree of consideration the estimates of revenue I submit. I believe them to be sound. I have taken great pains with them; and so have the officers of my department, and others whose valuable aid I secured in endeavoring to make them as correct and perfect as possible. But the data on which we have made them are by no means the best. They are made in a department as yet without archives; and with the assistance of other departments as yet almost in the same position as ourselves. In the first instance, we had to prepare them from a careful comparison and consideration of the public accounts of Canada, for the two or three years ending June 1866, and of the intromissions known to us for the six months ending December last. During the last few days, we have further been able to refer to the public accounts of Canada, for the year ending June last. Even within the last hour or two before the House met to-day, we discovered a small error in the estimates of outlay and revenue. We had to supply an omission on both sides; and it is possible we may find other errors to correct yet. But as far as I know and can estimate, I think I am safe—presuming always, of course, upon that utmost of zeal and care which I do count on in the matter of its collection by our several departments—in taking credit for what I may call a cash revenue, from all sources, for eighteen months, of the kind and amount I shall state. There is our general subsidy from the Dominion, \$1,333,879-20; special subsidy, \$105,000—total, \$1,438,879 20. I make no reduction from this sum on the score of our debt. I take credit for the block total. The estimates of the revenue from the Crown Lands has been made with very great care. This is the only department where we have some old officials. The total amount for the eighteen months is \$771,243. As to licences, I do not attempt to go into details as to each kind; blocking all in which we are interested together, and taking the safest estimates possible, I come to a total of \$63,387. The House will pardon my coming to odd totals; when one takes averages, one finds numbers occasionally came out odd. Our fourth item includes stamps of all kinds, law fees, the Court House tax, and the Building and Jury Fund. I will not pretend to subdivide these: an exactly correct subdivision would be impossible. But putting them together, after a very careful calculation of two of the most experienced officers I could get, Mr. Prothonotary Honey, of Montreal, and Mr. Futvoye, long connected with the Law Department of Canada, I have estimated the revenue from these sources at \$205,327. Of course, I include with these stamps, fees collected otherwise than by stamps.

Hon. Mr. CARTIER—You class together stamps, fees and the Jury fund?

Hon. Mr. DUNKIN—Yes; the total we expect is \$205,327. Then, the Cullers' fees should give us \$115,974, just about balancing the expenses. I suppose I shall lose a trifle as between the receipts from and the expenses of this service. Municipal Loan Fund, \$115,500; I think I am within the mark there. I turn now to Education, through which Department certain incidental collections come—the estimate is \$16,890; St. Vincent de Paul House of Correction, \$12,000; St. John's Lunatic Asylum, \$1,800; casual revenue—and here I think I am within the mark—\$6,000. All these afford a grand total of \$2,747,000. This is independent of a trifle of revenue I count on from some slight legislative measures which I have partly hinted at, and of which I shall presently speak. I think I may safely say, taking it in the gross, the revenue will exceed \$2,750,000. I hope, indeed, that with the slight changes of system I shall speak of presently, the gross receipts may reach or go beyond \$2,760,000. I think there will be a difference between it and the outlay I contemplate, of something not far from \$700,000. I cannot pretend to speak accurately. Against this surplus comes that unknown quantity of charge for the provincial debt, of which I have no right to make any statement, except that I am quite satisfied it cannot approach to that. [Loud cheers.] I am sure the House will do us the justice to believe that we are most anxious our receipts should exceed our expenditure for this first start [cheers]; that when the House meets next, we may be able to show that our statement of the affairs of the Province is not such as we need be at all discouraged about; and that with a moderate adjustment of our system we can go on efficiently and well for the time to come. [Cheers.]

As to changes of system connected with our ways and means, I have a few words to say; but I admit that what is proposed to be done is, necessarily, but little this year. I have given notice of a measure which I shall introduce to-morrow on the subject of stamps. I have stated that the stamp revenue and the other items connected therewith, exceed \$205,000. Of course the whole is not connected with stamps, but a very large proportion of it is. I should have said, that in this estimate registry stamps are included.

Hon. Mr. CARTIER—The hon. gentleman has said that stamps of all kinds are included, as well as certain charges unconnected with stamps.

Hon. Mr. DUNKIN—Of course. When I first drew up the estimate, I kept the registry stamps separate; but afterwards I blocked them all together, as insuring less uncertainty. The working of the stamp system within the last few years has been of the most satisfactory kind. There is no doubt they afford the cheapest and best mode of collecting a certain kind of revenue. I am unable at present to come before the House with a consolidation of our stamp law. I may say we have two acts on the subject of stamps: one, under which certain law stamps are issued and collected, and another, under which registry office stamps are collected. It is impolitic to do much more in regard to these laws at present, than amend them in such a way as to empower Government to make registry stamps produce a revenue equal to the registry expenditure. They were intended

to do so ; but I think they do not. I am not, however, perfectly certain they do not. If not, we ought to receive the power to make them ; with the assurance that unless it is necessary the power will not be used. [Hear, hear.] That is a very small change. The burden resulting will be too trifling to be felt. The change is designed to make persons registering pay for a service done them for their own benefit. This will be a legitimate and correct tax. I am not at all sure we need amendment of the law as to our law stamps proper. If any change be found to be necessary, I shall propose it. But I think we can make all the amendments necessary, without more legislation. We can render them more productive without making them more burdensome, or oppressive to anybody. Independently of that, however, I am anxious to extend the stamp system in another direction. There is no doubt whatever that a good many payments which ought to be made to the Government through our departments or officers, are lost just for want of a stamp system. Letters patent, licenses—all sorts of things which now yield no revenue ought to be paid for.

Hon. Mr. CARTIER—And commissions themselves?

Hon. Mr. DUNKIN—Certainly. All these and other fees ought to be paid to our public officers and departments through stamps. I am not in a position to present a measure that shall give all the details of the system. I should like ; but I think I am justified in asking that power be given to the Lieutenant Governor in Council to establish this new system. Under it, I think the casual revenue would be considerably augmented. I think we shall get a few thousands, while introducing a more safe and correct system than before. [Cheers.] It was all very well in the old days of the Province of Canada, with its mighty resources and great facilities for collecting its taxes, for it to say—we give all sorts of papers from our public offices, for the convenience of the people, without asking payment for them. Everything was charged, and nothing paid. We desire to adopt a system securing pay for these things. [Hear, hear.] It will tend to lessen the contingencies of the departments at any rate,—to lessen the expenses of legislation and the departments, and collect a revenue simply lost now, because not asked for. I propose also to ask the House to make a slight increase in certain licenses. I am quite satisfied this will do no harm to anybody, while it will put a few thousands more into our hands, to meet the expense of the administration of justice. At present the proceeds of these licenses go to certain special accounts. By the small addition to them which I shall ask for, I shall be able to add to the general revenue of the Province a something towards the expense of the administration of justice. I propose also, as I have already said, to suggest a slight change as to the legislative grant to agricultural societies ; and I may state that by the bill that has passed, relative to the incorporation of joint stock companies, provision is made for a certain modicum of revenue from the incorporation of those societies, which may perhaps be collected by stamps. The Hon. Premier, moreover, has a measure before the House, to compel everybody to pay—as they ought—for all manner of documents they may receive from the public departments ; and the Attorney General has a measure before the House intended to lessen the expenses of the administration of justice, by incidentally considerably aiding—without appreciably increasing the public burdens—the Building and Jury Fund, which

greatly needs aid. [Cheers.] The changes thus proposed will not give me much revenue this year, but will introduce a better system, and give us something on which to start fair next year.

I hope it will not be thought that the smallness of these changes is indicative of any feebleness of policy, or uncertainty as to what that policy should be. We are not prepared in this direction to do a great deal this year. Coming as we do before the House with the frank statement that we do not yet, and cannot for months, know what is our financial position—if we yet asked for considerable changes in our machinery of taxation, we should be doing an unwarrantable thing. [Cheers.] There can be no question the little matters I have alluded to are things that ought to be done, no matter whether the Province is rich or poor. They are little equalisations of revenue and expenditure, right in their nature whether the Province wants money or not. They are calculated to facilitate collections, and cause them to be obtained in the proper way. But as to the policy itself, of which these measures are a small part, I earnestly protest against its being supposed the Government are in any doubt or uncertainty, or utter their views with any hesitation whatever.

Let me refer, first, for a moment, to the matter of our Crown Lands, and the great questions connected with them. These lands form an important portion of our economy; with which are bound up the material interests of our people. Connected with them are the largest of what I may call the material duties devolving upon us, respecting the development of our agriculture, colonization and immigration. It is perfectly true, that so far from coming before the House with a project for the giving away of these lands, which would involve the destruction of a very valuable asset, there being not far short of \$1,400,000 due on our Crown Lands, we look to a policy calculated to lead to the collection of the best revenue from them that we well can, and as speedily and easily as possible. We do not seek to collect those arrears, or hereafter draw revenue from our lands, with a view to increasing the general revenue, for payment of salaries, or maintenance of extravagant staffs, or anything of that sort. We approve of a liberal and considerate policy as respects the settler. These Crown Lands we are quite prepared to view as in the strictest sense a trust property—to be managed by us for the benefit of the Province; not in the sense of merely augmenting its revenue, but in the direct interest of colonization within the Province,—for the drawing to it of immigration,—the development to the utmost at once of agriculture, manufactures and art. [Cheers.] The House, I am sure, will see with us, that it is better we should derive revenue from our lands, and raise their value, by spending it on them, than act as if we thought them worthless, tempting people to refuse what nobody has to pay for. It would be a suicidal policy to give away our lands in this way. In this sense, and to this end, I must repeat I am an opponent of the free grant system. But, as I have again and again said, I am not against free grants under exceptional circumstances. In many parts of our territory, such exceptional circumstances do undoubtedly exist. To carry out our colonization roads, which ought to be pushed with energy, and which will be pushed by us, a considerable development of the free grant system must take place. Quite an amount of the lands in the vicinity of colonization roads, that you

yet must open, are not of value to be sold. You cannot get people to pay for them; and you must give away some to get people to buy more. Give away what you cannot sell to advantage, what are better given away than kept. But leave the other land, which is desirable, to be sold for the public benefit. We have got to collect our arrears as well as we can, and with as little pressure as we can, and use what we thus obtain, and what we receive from the sale of new lands, earnestly and energetically to push colonization roads to the utmost, and to promote the settlement of the country and immigration into it, as well as the development of our agricultural and other resources to the fullest extent possible. The revenue I expect from this source, which I hope and trust will in time to come be considerable, I propose devoting to these objects; and depend upon it, the rate of advancement of the country under such a policy, will be extraordinary. [Cheers.] In connexion with this policy, and for further answer to the assertions continually made, that we are disposed to do little or nothing in this direction, I may be allowed a word or two, in anticipation, as to the bill the Hon. Premier intends introducing to-morrow, relative to colonization roads. That measure has for its object a something which we wish we could apply to our this year's colonization road grant of \$62,500; but which we are not now in a position to do. Next year and in future years, we not only hope to be able to spend larger amounts; but, by means of this measure, we hope to be able to spend them to infinitely better, or to very much better advantage than we can dispose of this year's appropriation. We propose to divide colonization roads into three classes—one, for which we ask no local aid,—and two, for which we do. We propose to lay out those roads upon a map; to have a system; to encourage to the utmost the co-operation of municipalities, and, indeed, all local and personal co-operation we can, towards the opening up of roads not of such public importance as to justify our construction of them unaided. Probably the time is not far distant, when we shall be able to show to the Dominion that some of these colonization roads are of an importance amounting to national, and deserving of its aid. As to some we can and will do without any aid. And as to others we shall have the aid of municipalities, proprietors and others. The time may even not be distant, when we may be able to put some amount of gentle compulsion upon some of those people who own lands, but refuse to settle them, who act like the dog in the manger, or worse, with regard to large amounts of our land, to the great disadvantage of the Province. [Cheers.] This measure we trust to be able to develop in a variety of ways; and it will have to be followed up by others, in the nature of amendments to the municipal law, and relating to the organisation of colonization societies, and tending to facilitate the collection of those Crown Land arrears, which are to give us the means of starting the great machinery I hope to see in operation before long for the development of the country. Meantime, however, this first step, and with it my hon. friend the Premier's other promised measure, designed to encourage the settlement of our wild lands, by giving to settlers upon them a certain degree of homestead protection, are all we can do this session in this direction. But we do hope, with the mature deliberation and earnest study which members of the House as well as ourselves will give to this matter during the recess, that at another session we shall be able to do a great deal more to make it an attraction to our people to go upon our wild lands. Trust me, if they know that the Government and Legislature of

the Province are in earnest in opening colonization roads, facilitating the construction of bridges and other works necessary to the settler, doing all in their power to make our wild lands attractive, and developing our municipal and school systems so as to make them effective and attractive—there will be an *elan* given to the settlement of the country, such as we have not seen yet. [Cheers.] The advancement of the country has not been bad. [Hear, hear.] But encouraged as I believe it will be, in the next few years, it will be much greater still. [Cheers.]

Passing, then, to the Administration of Justice, I again readily admit that what we propose specially to do this year is but little. The thing to be done is to secure quiet, steady, administrative work. We require a gradual cutting down of every expense connected with this service—a making of the Administration of Justice as inexpensive as possible without lessening its efficiency. A great deal can be done in this respect; and in reference to the kindred subject of prison and reformatory discipline, a great deal of economy can be practised, with time. I may be told perhaps, that my estimates are not cut down to the standard of this economy that I wish to practice. Certainly they are not. I know that such economies take time. It is not in the first six months that you can really come at your results. It may take months, even years; but if your measures are really well devised, and honestly and ably carried out, in the course of a few years, their fruit will be seen.

In this connexion, let me take a single illustration of what may be done in this line, without noisy legislation, with the bulk of the people at the time not so much as knowing of it. I speak of a matter connected with the Administration of Justice in Lower Canada within the last few years; and to which I am happy to have this opportunity of adverting,—as an act of justice to the administrative policy of my hon. friend the member for Montreal Centre, while Attorney General for Lower Canada. It will be remembered that just before 1860, the great measure of judicial decentralization as regards this Province was adopted. The six old judicial districts, and more especially, the great districts of Montreal, Quebec and Three Rivers, were dismembered. Shortly before, the fees of their official functionaries had been funded, and those officers placed on salaries to be drawn from that source. In consequence of this decentralization, with all these gentlemen at the salaries men subsisting and which could not be cut down, there was at first a heavy deficit in the six districts. In 1860, upon the salaries of their civil establishment alone, this deficit reached \$17,070; these salaries exceeding the receipts by that amount. Well, all that was done to meet the case, was the adoption of a certain change in the tariff of fees, of which nobody complained,—of which, indeed, most people never even heard—much less knew they were affected or hurt by it. Well, this mere change of tariff reduced the deficit next year to \$7,402; the year after, to \$3,072; in 1863, to \$1,815; and in 1864, to \$1,240. For 1865, there was a surplus of \$39; and although for 1866, the last year I can give, there was again a deficit, it was only for \$635; showing how much has been gained by this change. Even for that last year, there was thus a saving of nearly \$17,000 on this head alone. In the other districts, where the fees are not funded as in these six, they maintain their entire staff of employees on the civil side of the Courts, and give a good many of them

an amount of emolument, which may quite shortly admit of revision with a view to certain economies in the interest of the Province. So that for that year, and with this prospect of further saving, the whole civil staff of all these Courts, cost the general revenue of the Province, but \$635. Indeed, even this is not the whole truth; for to some extent, in the new districts, these civil fees go towards payment for duties performed in reference to criminal matters. And I repeat, there is more yet that may be done shortly in the same direction. Our list of practical economies is not yet quite exhausted. Things are not yet at their best, by any means. I am well assured that my colleagues who have charge of our Administration of Justice, are as thoroughly in earnest as men can be, to effect reforms in it; and I hope to be able next year to state that we do not want as large an amount of money for this service as we have now to ask for.

As to legislation and administration, I can only repeat the same general assurance that we desire to economise wherever we can, and to do all we can to collect the minor sources of revenue belonging to us. Unlike the old Province of Canada, we have no easy revenues to collect. We must look after what have heretofore been unconsidered trifles; if we do not, we shall suffer in public opinion. I think it will be found one of the advantages of our new system, and not the least, that it will compel the local administrations to look after all those trifling sources of revenue. [Cheers.] Instead of being able to raise means by five per cent increase of duties, they will have to collect little by little, a little on licenses, a little by stamps, practising and learning everywhere—not parsimony, but most certainly—economy.

On the heads of Education and Charities, time and fatigue do not suffer me to do more than repeat that as to them I have hardly touched anything. They remain substantially as they were; the grants, as I have said, for one year only,—so that when we next meet, early in the coming financial year, we shall be free to deal, and shall have to deal, with all the questions that come up in connexion with them, fairly and squarely. And I think there are many circumstances as favorable as ever were, or as well could be brought together, to promise us a very happy solution of every seeming difficulty in respect of them.

It is of no bad omen, that at the starting of our new system, with an absence of party feeling beyond precedent or hope, our utmost attention should be so drawn, by causes beyond control, to matters of administrative detail; that the existence of our institutions, so to speak, should so depend upon the success with which we are to grapple with these difficulties of detail. By painstaking and honest effort to do what is right and fair, under each set of circumstances as they come up, can every difficulty before us fairly be got rid of. [Applause.]

I have taken up a great deal of the time of the House, Mr. Speaker; but I hope I have not fatigued myself and it to no purpose. I have spoken of our position, circumstances and prospects, as truthfully as I could. I have sought to under-estimate no difficulty. I have resorted to no subterfuge. [Cheers.] I do not pretend to say that in connexion with our administration there are not certain drawbacks and difficulties. There is no doubt,

that, looking simply to the financial point, our sister Province of Ontario receives a larger subsidy than we do,—has a larger amount of land arrears than we have,—and in regard to certain matters, can easily practise some apparent economies that we cannot. They have not the heavy expense, as to printing and otherwise, of the two languages. I admit all this. But if any one tells me that because of these difficulties we cannot make the system work satisfactorily and well for ourselves and for the country, I laugh at the idea. [Cheers.] The thing is simply ridiculous, supremely absurd. Why, Mr. Speaker, I remember—I speak to many who remember with me—the past thirty years and more of the history of Lower Canada, the feud of races, the civil war, that indeed did then threaten to destroy us. Thank God, in spite even of all that, we are where we are, in a position of prosperity, contentment and promise, such as none dared dream of in those dark days of '37 and '38. [Cheers.] Tell me that having passed safely through such trials, we are to be moved now by this trumpery talk of the cost of carrying on our system in two languages, and of our having less money at our disposal than the Ontario people! We certainly have less disposition to talk eternally about our greatness, wealth, economy and all that. [Cheers, and laughter.] Do I not remember, too, later,—from '48 to '50, in Montreal,—myself and some others with me, being laughed at by almost everybody, because we could not join in the ridiculous talk, then prevalent there, about that place and the whole country going then to ruin and decay for ever and ever? [Applause.] Why, even in '58 and '59, when the Legislature of old Canada sat for its last term in Toronto,—what Lower Canadian does not remember the way the Torontonians laughed at us and exulted over us, telling us that Toronto and Hamilton—Kingston, even—were going ahead of Montreal, and that Quebec was nowhere? Where are we all now? With the present growth and prosperity of Montreal, has Quebec reason to be despondent? We have plenty to do; but if we have the heart and courage for it,—trust in ourselves and one another,—trust in our God,—we have no more before us than we can do. [Loud cheers.]

You may tell me that a great deal of the land of Lower Canada is exhausted. So it is; but there is not better land under heaven, than that very exhausted clay soil, if only it is properly cultivated. You may tell me a good deal of our newer land is considerably exhausted; but take the bulk of our people who know what they are about—and no people have more capacity when they set to work, or more energy and self-denial—none are more economical and industrious—set them to work on their soil, exhausted now or not, in the right spirit, and I tell you as much can be done with the lands of this Province of Quebec, as with those of any other country under heaven. A few years ago, where was Scotland? Even now, but for the extraordinary energy and enterprise of her sons, what would New England be? It is not the country with the finest climate, the richest soil—in a word, the greatest physical advantages—that prospers most. It is the country with the hardiest and best people, the people who take best advantage of limited natural resources, who have to combat, and do combat manfully, with natural disadvantages. There is no country better placed than ours for testing the qualities of a race, and developing its capacities. There is none better placed for trade, nor probably for manufactures; and I believe the day is not far distant, when without any

great amount of what some people think absolutely necessary for the prosperity of manufactures,—protective legislation,—this Province will become a very considerable manufacturing country. Our business is to develop our agriculture, foster our trade and commerce, encourage our various industrial interests, and cheer our people on to live together, to hope and believe and struggle,—all for all. Even the double language, which some think such a difficulty, has its advantage; for a man who can talk two languages, and those the two best known the world over, is by no means behind in the life race; on the contrary, he has a decided advantage over him who speaks but one. There is some advantage, too, in our severe climate, and in some other circumstances of our position which we can hardly be said to like; there is something in being pretty well to the north; for a cold northern country endows its people with an energy unknown elsewhere. Northern races generally have energy, hardihood, enterprise,—the qualities that command prosperity,—in a higher degree than southern. It is not the Sybarite who can hardly sleep on his bed of rose leaves, that is strong and capable; for strength and capacity come of hardy effort. He who labors against cold, storm and hardship, is strong, energetic, courageous. Every thing great and good possesses more or less of these qualities, is of the growth of difficulties; and it is not amiss that here we should have our difficulties to struggle with at starting. They may be considerable—they are not such as cannot be overcome; and we have only to be true to ourselves and to one another, and we shall find before long ample reward in our success; with no reason to regret that the struggles by which we shall have achieved that success, were as earnest as they have been, are,—and may be. [Loud and prolonged cheering.]

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APPENDICES.

APPENDIX A.

STATEMENT of the Receipts and Expenditure of the Province of Quebec,
from 1st July to 31st December, 1867.

RECEIPTS.	\$	cts.	\$	cts.	\$	cts.	EXPENDITURE.	\$	cts.	\$	cts.
Received from Dominion Half Year's Special Subsidy.....					35,000	00	At Ottawa :				
Receipts at Ottawa:							Civil Government	15,738	00		
Municipal Loan							Administration of Justice	118,623	51		
Fund.....	366	00					Police	1,107	82		
Law Fees.....	5,085	99					Reformatory, &c.	12,832	09		
Law Stamps.....	46,080	13					Legislation.....	15,756	77		
Registration							Education.....	145,796	01		
Stamps	3,393	92					Hospitals & Charities	43,100	53		
Court-Houses.....	3,298	79					Public Works and Buildings.....	12,570	80		
Building and Jury							Rents, Insurances and Repairs.....	3,110	14		
Fund.....	600	92					Roads and Bridges	2,827	00		
Education.....	6,365	01					Removals.....	10,809	89		
Crown Lands.....	48,016	61					Miscellaneous.....	2,455	14		
Hospitals & Charities.....	152	70					Crown Lands Service	17,349	01		
Reformatories.....	3,042	32					Agricultural Societies.....	46,279	30		
Casual.....	1,191	75					Stamps.....	40	00	448,396	10
Tavern Licenses, &c.....	8,587	38									
Refunds.....	1,662	22	127,843	65			At Quebec:				
Received from Dominion, on Account of General Subsidy; being Difference between Contra Expenditure at Ottawa.....	448,396	10					Civil Government	23,666	71		
And above Collections at Ottawa	127,843	65					Legislation.....	1,875	78		
			320,552	45			Education.....	1,463	55		
					448,396	10	Roads and Bridges (Colonization).....	1,942	00		
Receipts at Quebec:							Removal	107	04		
Crown Lands.....					133,473	25	Rents, Insurances and Repairs.....	6,866	94		
Total Receipts.....					616,869	35	Miscellaneous.....	811	90	36,733	92
Total Expenditure.....					485,130	02	Total Expenditure.....			\$485,130	02
Balance unexpended.....					\$131,739	33					

The above Balance is irrespective of a Dominion Claim under title of "Ontario and Quebec Suspense Account," Expenditure Statement A, amount \$21,202.06; of which, Quebec may have to sustain some portion.

JOSEPH ELLIOTT,
Asst. Treasurer.

E. & O. E.

GASPARD DROLET,
Auditor.

APPENDIX B.RÉSUMÉ OF ESTIMATES.

	\$	cts.	\$	cts.
1.—Legislation: (Not covering Indemnity and Contingencies of next Session).....			158,392	00
2.—Civil Government.....	180,966	86		
Add, for Education Department Salaries and Contingencies,—				
say.....	25,000	00	205,966	86
3.—Administration of Justice.....	490,839	35		
Add, Police.....	20,000	00		
Reformatory and Prison Inspection.....	40,500	00	550,839	35
[In Committee of the Whole, on the Supply Bill, the Administration of Justice vote was corrected by a reduction of \$12,285 over-estimated; and in Committee of Supply, upon the Supplementary Estimates, the Police vote was augmented by \$4,800; in the whole reducing the above total, to \$543,354.35.]				
4.—Education: (Covering, however, only 12 months, for Superior Education, aid to poor Municipalities, and Superannuated Teachers' Fund together, \$74,000.).....	392,190	00		
Less—Department Salaries, &c., carried above to Civil Government.....	\$25,000	00		
And Normal School Agricultural Education, added in below	12,000	00		
			37,000	00
Add—Literary and Scientific Institutions.....	\$3,000	00	\$355,190	00
Board of Arts and Manufactures.....	2,000	00	5,000	00
Agricultural Education :				
Normal Schools.....	\$12,000	00		
Colleges of Ste. Anne and L'Assomption.....	2,400	00	14,400	00
			374,590	00
[In Committee of Supply, the General Education vote was corrected by a reduction of \$5,000, over-estimated for Contingencies; and upon the Supplementary Estimates, the Literary and Scientific Institutions' vote was augmented by \$400, and the Board of Arts' vote, by \$1,000; in the whole reducing the above total, to \$370,990.00; besides which, however, from the augmented vote (below noted) for Agricultural Societies, the Colleges of Ste. Anne and L'Assomption, will in fact receive a further unstated amount in aid of their Agricultural teaching.]				
5.—Agriculture, Emigration and Colonization:				
Agricultural Education, as above.....	14,400	00		
Agricultural Societies.....	80,058	60		
Emigration.....	4,000	00		
Colonization Roads.....	62,500	00		
	\$160,958	60		
Off—(as included under Education) Agricultural Education.....	14,400	00	146,558	60
[In Committee of Supply, upon Supplementary Estimates, the Agricultural Societies' vote was raised to a total of \$97,000, so as to cover the presumed outlay under Cap. 32 of the Consolidated Statutes of Canada, for two years, inclusive of the percentages allowed for the Board, and for Agricultural Education; and there was also added, under this head, for the Board of Agriculture, an 18 months' vote of \$6,000; together raising the above totals to \$183,900.00 and \$189,500 respectively.]				
6.—Public Works, &c., other than Colonization Roads:				
Removal Expenses.....	15,576	00		
Rents, Insurances, Repairs, &c.....	85,315	00		
Amount carried over.....	\$100,891	00	\$1,436,347	71

APPENDIX B—(Continued.)

RÉSUMÉ OF ESTIMATES.

	\$	cts.	\$	cts.
Amount brought over.....	100,891	00	1,436,347	71
6.—Public Works, &c.—(Continued.)				
St. Vincent de Paul.....	42,570	00		
Quebec Gaol.....	5,000	00		
Sherbrooke Gaol.....	4,000	00		
Inspections and Surveys.....	2,550	00		
			155,011	00
[In Committee of Supply, upon Supplementary Estimates, the Sherbrooke Gaol vote was augmented by \$1,000; raising this total to \$156,011.00.]				
7.—Charities:				
Beauport Asylum.....	138,000	00		
St. John's do.....	27,000	00		
Marine and Emigrant (1 year).....	4,000	00		
Miscellaneous (1 year).....	30,290	00		
Nova Scotia and Labrador.....	4,715	93		
			204,005	93
[In Committee, on the Supply Bill, the above Miscellaneous vote was corrected, by a reduction of \$1,540; making this total, \$202,465.93.]				
8.—Collection, Maintenance, &c.:				
Surveys.....	20,444	11		
Territorial.....	108,036	09		
Stamps, &c.....	8,100	00		
	\$136,580	20		
Culling Timber.....	117,312	00		
Registration Service.....	12,143	91		
Miscellaneous.....	25,000	00		
			291,036	11
Grand Total.....			\$2,086,400	75
[Raised, however, in Supply Bill, by the changes above noted, to \$2,097,717.15.]				